

DATE: May 12, 2004

MEMORANDUM FOR: Commonwealth, State, and Territorial Coastal Program Managers

THROUGH: Alan Neuschatz /s/
Associate Assistant Administrator for Management
National Ocean Service

FROM: John R. King /s/
Chief, Coastal Programs Division

SUBJECT: Final FY 2004 Funding Allotments
Coastal Zone Management Act Sections 306/306A, 309, and
Coastal Nonpoint Program Implementation

This final funding guidance is based on the funding levels contained in the Consolidated Appropriations Act, 2004 (P.L. 108-199). This Act contains funding for sections 306/306A and 309, and to implement state programs developed pursuant to section 6217. This memorandum provides final guidance on the allocation and uses of these funds. Please note the change in schedule for the October 1 start date awards. We are endeavoring to get these awards into the Grants Management Division by June 21, 2004 at the latest. Questions should be directed to John King. John can be reached at (301) 713-3155 extension 188 or via e-mail at john.king@noaa.gov.

Funding Facts

	<u>2004</u>	<u>2003</u>
Section 306/306A/309*	\$ 67,795,015	\$68,515,000
CNPCP Implementation*	9,831,448	9,935,000
Reprogramming Hold**	0	(510,000)
Deobligated Funds***	<u>2,073,537</u>	<u>1,958,000</u>
Totals	\$ 79,700,000	\$79,898,000

* - Figures reflect the FY03 .65% and FY04 .59% & .465% recissions mandated in the Appropriations Act.
** - Held for potential NOAA reprogramming.
*** - Total prior year funds (deobligations) added to section 306 and CNPCP funding.

In addition to the funding levels described above, the Act includes language that will cap the maximum amount of appropriated funds for a state section 306 award at \$2,000,000. The Act also includes revised maximum language that, if maintained in future appropriations bills, will make it possible to distribute funding increases among all states.

Section 306/306A and Section 309 Allotments

For FY 2004, there is \$67,795,015 in appropriated funds available for sections 306/306A and 309. We will add \$1,704,895 in prior year funds (deobligations) to bring the total to \$69,500,000. The CZMA requires that between ten and twenty percent of the section 306/309 appropriation be directed toward section 309, up to a maximum of \$10,000,000. We will direct the statutory maximum of \$10,000,000 (14.5%) of the appropriation toward section 309, leaving \$59,500,000 for section 306/306A. The section 306/306A funds require a 1 to 1 match and are available to states with federally-approved coastal zone management programs.¹ State allocations are provided in the attached table (attachment 1).²

The states that have successfully completed section 309 assessments and strategies are eligible for section 309 funding. These funds require no match. All of the section 309 funds will be awarded through the weighted formula. The primary focus of this year's section 309 effort will be to implement the Strategies that were developed and approved with FY01 funding.

Implementation of Section 6217 Programs

The appropriations act includes \$9,831,448 to implement state CNPCPs developed pursuant to section 6217. To maintain level funding from FY2002, we will add \$368,552 in prior year funds to bring the total to \$10,200,000.

By specifically identifying these funds for program implementation, Congress continues to mark a shift away from program development activities. Any remaining program development activities (i.e., addressing remaining conditions of approval) should be supported with the \$100,000 in section 319 Clean Water Act funding identified initially in EPA's supplemental FY 2001 grants guidance for this purpose. Section 309 funds may also be used to support program development activities and states can utilize section 306 funding to support a variety of CNPCP development and implementation activities. The CNPCP implementation funds require a 1 to 1 match. The state coastal zone management lead agency is the only entity eligible to receive these awards, and may in turn make sub-awards. For states with conditional approval, these funds must be used to implement the approved portions of the CNPCP (e.g., those elements without conditions). Specific nonpoint funding guidance is enclosed with this memo.

¹1. Because this will be Indiana's third section 306 award, the match ratio is 1.5 to 1 for section 306, and 1 to 1 for section 306A.

²2. The Secretary of Commerce has not found that any state has not submitted an approvable coastal nonpoint pollution control program pursuant to 16 USC 1455b(c)(3). Thus, for FY2004, no states will be penalized pursuant to this section.

We are proposing to continue the general allocation approach of the past three years. States with fully or conditionally approved coastal nonpoint pollution control programs are eligible for the funds. A portion of the funds will provide base funding to all eligible states, and a portion of the funds would support additional funding for states with fully approved programs. The bonus levels remain the same as last year (attachment 2).

Application Procedures

The current application schedule is attached. July 1 start date awards must be due in OCRM by April 15, 2004; and October 1 start date awards are due in OCRM by June 10, 2004 (attachment 3).

For the past few years we have been working with you to develop the Internet-based Coastal and Marine Management Program (CAMMP) Information System. While the previous version of CAMMP was less than successful, over the past year OCRM has worked with a new contractor to fix problems and make the system work as it was intended. In many ways this is a completely new system.

Testing indicates that the system is functioning, reliable, and secure. Because this is the first time this new version of system will be used, CAMMP will not be mandatory this year. But we encourage you to at least take a look at the system once it goes live. Under separate cover, we have sent instructions on setting up a CAMMP account, as well as the new CAMMP Users' Manual.

Notice Information

According to the Coastal Zone Management Act of 1972, as amended (CZMA), the Secretary of Commerce may make grants to eligible coastal states. Coastal states are defined as states that are in, or bordering on, the Atlantic, Pacific, or Arctic Oceans, the Gulf of Mexico, Long Island Sound, or one or more of the Great Lakes. For the purposes of the CZMA, the term also includes Puerto Rico, the U.S. Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa. This notice is being distributed to all eligible parties, and substitutes for the Federal Register notice required for Federal grant programs.

cc:	A Neuschatz, NOS	B MacNeill, OCRM	OCRM/CPD Staff
	M Luxenberg, NOS	L McGilvray, OCRM	E Hout, OCRM
	K Gleaves, GCOS	R Cantral, OCRM	D Brown, OCRM
	R Liogys, NFA	D Flynn, DOC/FALD	T MacDonald, CSO

Sections 306/306A and 309 and Coastal Nonpoint Implementation

Parameter	Section 306/306A	Section 309	CNP Base	CNP Bonus (1)	
Total Funding	59,500,000	10,000,000	6,150,000	Available	4,050,000
Base Funding	735,000	70,000	67,000	Committed	3,350,000
Maximum Funding	2,020,000	540,000	305,000	Remaining	700,000

STATE	Section 306/306A	Section 309	Coastal Nonpoint Base	Coastal Nonpoint Bonus (1)	Total	Award Number
Alabama	1,606,000	105,000	89,000	0	1,800,000	NA04NOS4190029
Alaska	2,020,000	540,000	305,000	0	2,865,000	NA04NOS4190030
American Samoa	888,000	76,000	70,000	170,000	1,204,000	NA04NOS4190031
California	2,020,000	540,000	305,000	275,000	3,140,000	NA04NOS4190032
Connecticut	2,020,000	179,000	113,000	170,000	2,482,000	NA04NOS4190033
Delaware	1,509,000	101,000	87,000	170,000	1,867,000	NA04NOS4190034
Florida	2,020,000	540,000	305,000	0	2,865,000	NA04NOS4190035
Georgia	2,020,000	273,000	172,000	0	2,465,000	NA04NOS4190036
Guam	922,000	77,000	72,000	0	1,071,000	NA04NOS4190037
Hawaii	2,020,000	175,000	110,000	0	2,305,000	NA04NOS4190038
Indiana	1,158,000	0	0	0	1,158,000	NA04NOS4190039
Louisiana	2,020,000	540,000	305,000	0	2,865,000	NA04NOS4190040
Maine	2,020,000	413,000	260,000	275,000	2,968,000	NA04NOS4190041
Maryland	2,020,000	526,000	305,000	275,000	3,126,000	NA04NOS4190042
Massachusetts	2,020,000	418,000	264,000	275,000	2,977,000	NA04NOS4190043
Michigan	2,020,000	540,000	305,000	0	2,865,000	NA04NOS4190044
Minnesota	1,041,000	82,000	75,000	0	1,198,000	NA04NOS4190045
Mississippi	1,273,000	92,000	80,000	0	1,445,000	NA04NOS4190046
New Hampshire	1,062,000	83,000	76,000	170,000	1,391,000	NA04NOS4190047
New Jersey	2,020,000	540,000	305,000	0	2,865,000	NA04NOS4190048
New York	2,020,000	540,000	305,000	0	2,865,000	NA04NOS4190049
North Carolina	2,020,000	396,000	249,000	275,000	2,940,000	NA04NOS4190050
Northern Mariana Islands	972,000	80,000	74,000	170,000	1,296,000	NA04NOS4190051
Ohio	2,020,000	182,000	114,000	0	2,316,000	NA04NOS4190052
Oregon	2,020,000	219,000	137,000	0	2,376,000	NA04NOS4190053
Pennsylvania	2,020,000	174,000	110,000	170,000	2,474,000	NA04NOS4190054
Puerto Rico	2,020,000	219,000	137,000	170,000	2,546,000	NA04NOS4190055
Rhode Island	1,646,000	107,000	90,000	170,000	2,013,000	NA04NOS4190056
South Carolina	2,020,000	352,000	221,000	0	2,593,000	NA04NOS4190057
Texas	2,020,000	540,000	305,000	0	2,865,000	NA04NOS4190058
U.S. Virgin Islands	963,000	79,000	74,000	170,000	1,286,000	NA04NOS4190059
Virginia	2,020,000	540,000	305,000	275,000	3,140,000	NA04NOS4190060
Washington	2,020,000	539,000	305,000	0	2,864,000	NA04NOS4190061
Wisconsin	2,020,000	193,000	121,000	170,000	2,504,000	NA04NOS4190062
TOTALS	59,500,000	10,000,000	6,150,000	3,350,000	79,000,000	

1.) The amount of the bonus equals \$170,000 or \$275,000. Bonuses will be awarded on a first come first serve basis until all funds are expended.

FY 2004 Allotments
Baseline Information
and Coastal Nonpoint Program
Approval Bonus Eligibility

State	Shoreline Mileage	Coastal Population	Weighting Factor	CNP Bonus Eligibility
American Samoa	126	57,291	0.00098	170,000
Guam	110	154,805	0.00120	170,000
U.S. Virgin Islands	175	108,612	0.00146	170,000
Northern Mariana Islands	206	69,221	0.00152	170,000
Minnesota	189	236,946	0.00196	170,000
New Hampshire	131	389,592	0.00210	170,000
Indiana	45	741,468	0.00271	170,000
Mississippi	359	363,988	0.00345	170,000
Delaware	381	783,600	0.00496	170,000
Alabama	607	540,258	0.00558	170,000
Rhode Island	384	1,048,319	0.00584	170,000
Pennsylvania	140	2,946,892	0.01051	170,000
Hawaii	1,052	1,211,537	0.01057	170,000
Connecticut	618	2,120,734	0.01082	170,000
Ohio	312	2,767,328	0.01100	170,000
Wisconsin	820	1,992,393	0.01167	170,000
Puerto Rico	700	2,685,883	0.01318	170,000
Oregon	1,410	1,326,072	0.01320	170,000
Georgia	2,344	538,469	0.01650	170,000
Illinois (not participating)	63	6,021,097	0.02007	NA
South Carolina	2,876	981,338	0.02129	275,000
North Carolina	3,375	826,019	0.02392	275,000
Maine	3,478	944,847	0.02496	275,000
Massachusetts	1,519	4,783,167	0.02518	275,000
Maryland	3,190	3,592,430	0.03180	275,000
Washington	3,026	4,070,515	0.03233	275,000
Virginia	3,315	4,440,709	0.03535	275,000
New Jersey	1,792	7,575,546	0.03602	275,000
Michigan	3,224	4,842,023	0.03609	275,000
Texas	3,359	5,211,014	0.03815	275,000
Louisiana	7,721	2,170,717	0.05564	275,000
New York	2,625	16,088,089	0.06907	275,000
California	3,427	24,260,099	0.10082	275,000
Florida	8,426	15,982,378	0.10520	275,000
Alaska	33,904	538,332	0.21493	275,000
	95,429	122,411,728	1.00000	

ACTIVITY	States with July 1 Start Dates	States with October 1 Start Dates
1. Initial discussions between state and OCRM - submission of preliminary work plan (optional)	January - February	February
2. State submits draft application package for CZMA cooperative agreement. OCRM provides comments to State as appropriate	March 15, 2004	April
3. State submits final application, budget and narrative to OCRM for review and approval.	April 15, 2004	June 7, 2004
4. OCRM completes review and circulates Cooperative Agreement package within OCRM.	April 23, 2004	June 14, 2004
5. OCRM submits Cooperative agreement package to NOAA Grants office.	No later than April 30, 2004	No later than June 21, 2004

**Funding Guidance for State/Territory Expenditure of
Coastal Nonpoint Pollution Control Program Implementation Funds
March 5, 2004**

Introduction and Background

This document provides guidance from the Office of Ocean and Coastal Resource Management (OCRM) to State and Territory Coastal Management Programs on the use of grant funds for the implementation of state Coastal Nonpoint Programs (CNPs) developed pursuant to Section 6217 of the Coastal Zone Act Reauthorization Amendments of 1990 (CZARA). This document supersedes all previous nonpoint funding guidance and is effective immediately for all FY04 grants and any amendments or new grants using prior year appropriations submitted to OCRM. Case-by-case exceptions may be made for the continuation of grants (i.e., amendments and extensions) in process if the funded tasks are clearly consistent with state coastal nonpoint source priorities and if the tasks completed thus far have been successful.

This guidance draws upon the experiences of the program to date and historical CZMA policy. OCRM's goal is to provide flexibility and discretion to the states in establishing their coastal nonpoint program priorities and proposing projects for funding consistent with guidance that results in objective and trackable national results. In some cases, projects that have been funded in the past will no longer be allowed. This guidance is intended to be adaptive and will be amended as necessary to accommodate changing state priorities, funding levels, and new policy directions. To the extent that ongoing or planned projects are no longer eligible for funding, we will work with you to find other more suitable sources of funding, either through the CZMA grants or other programs entirely.

General Guidelines

State and territory programs should ensure that all CNP requests for funding submitted to OCRM meet the following guidelines. OCRM's Coastal Management Specialists will use these criteria in reviewing and approving projects.

1. The grant task clearly and directly ties the project to the implementation of approved CNP management measures or other approved program elements such as education and outreach, and intergovernmental coordination. Each grant task must explain which management measure or group of measures are being implemented by the project. Projects that are generally related to coastal water quality, but not specifically related to a State's CNP may be eligible for other CZMA funding. Projects designed to implement specific activities not subject to CZARA review, such as those in categories or geographic areas with exclusions approved by NOAA and EPA and those covered by Clean Water Act National Pollutant Discharge Elimination System permits, are not eligible for funding. However, projects that serve multiple areas or jurisdictions and may accomplish the goals of permitting programs, such as regional conferences and educational efforts, remain eligible for funding.

2. The grant task has a geographic identifier if it is a site-specific project (i.e., township; county; watershed hydrologic unit code (HUC) identifier; or lat/long) as well as identification of the body (bodies) of water that is (are) affected. At a minimum, the stream name and drainage basin description should be provided (e.g., Riparian restoration on Back Creek, a tributary to the Severn River, which empties into the Chesapeake Bay south of Annapolis, Maryland).
3. The grant task provides reasonable justification for the project that clearly identifies the project outcomes and explains how the project will implement the management measures and contribute to protection or restoration of coastal water quality. If possible, the task should provide objective, quantifiable measures of success. Such measures could include an estimate of stakeholders educated, forecast of expected policy changes, estimate of pollutant load reductions, or the number of acres protected or managed as a result of the project. These measures should be reported in a manner consistent with goals and objectives found in the state's 5/15 year plans or related CNP materials. This criteria is not a requirement to develop site-specific monitoring to ascertain project effectiveness.
4. The project is consistent with the state's long range strategies and implementation plans, which in most cases are the 5/15 year plans called for in the CNP "Administrative Changes". If the State does not yet have such documents, a long range strategy and implementation plans should be developed or identified (e.g., statewide 319 plan) as soon as possible, but no later than the end of the 2004 calendar year. The project should thus support identified *coastal* nonpoint source management priorities (e.g., priority source of nonpoint pollution, regional agreements, critical coastal areas). CNP Implementation funds can be used to develop long range strategies and implementation plans (see "Recommended Areas for Funding" below).
5. Matching funds from non-federal sources must be used for projects/activities consistent with these guidelines. Therefore, CNP implementation grants cannot be used for the planning phase of a project with non-federal match used for earth-moving activities that would be ineligible for NOAA funding. Also, the same level of detail (in the scope of work or task description) is required when describing uses of matching funds as is used to describe uses of federal funds.

Recommended Areas for Funding

1. Staffing

OCRM continues to encourage each and every state to maintain a full time staff coordinator for the CNP program and to use CNP implementation funds as necessary to provide salary and benefits to the coordinator. Other staff positions to carry out programmatic actions are also encouraged and might include the following:

- ✓ Compliance assistance consultants working with municipalities or industry to implement management measure practices.(i.e., BMPs).
- ✓ Septic system inspectors.
- ✓ Local planners working on policy changes or guidance documents.
- ✓ Engineering staff designing BMPs.

2. Tracking and Evaluating Implementation

OCRM urges states to consider using a portion of funds for enhancements to CNP planning (5/15 year plans), tracking and evaluation tools. These tools could include:

- ✓ Forging new partnerships with other state agencies or building on existing partnerships.
- ✓ Developing or improving long range strategies and implementation plans for the CNP.
- ✓ Developing new or revised CNP reports.
- ✓ Development or enhancement of systems, compliance audits, and tracking tools.

3. Priority Management Measures

OCRM will continue to solicit state input and monitor state expenditures to develop one or more management measure focus areas that represent national priorities for the expenditure of nonpoint implementation funding. These areas will most often help fill niches which remain largely unfunded by other federal programs. All programs will be encouraged to develop and support projects and staff that implement management practices in the focus area(s). In the last two fiscal years (FY2002-2003), the focus areas were onsite disposal systems (OSDS), clean marina programs, and local-capacity building. In FY2004, OCRM will continue to promote work in these areas. States can, and should also, focus CNP implementation funds on state defined priorities. To the extent that a state proposes no projects or expenditures in the recommended national focus areas, the state will need to demonstrate that its proposed projects are implementing priority actions identified in its program documents and long range plans. OCRM prefers that states not use significant portions of their CNP implementation funds in categories, such as agriculture, where other federal agency funding sources clearly exist.

Specific Guidelines for Implementation

1. On-the-Ground Projects

OCRM recognizes that there has been continuing demand from some states for on-the-ground projects including the physical installation of best management practices identified in the CZARA section 6217(g) guidance, and the purchase of nonpoint pollution abatement equipment. To address this demand, we are providing criteria for a limited number of activities described below. Applicants for such projects will need to fill out and submit a “NOAA Environmental Check List for Proposed Actions,” which is available on the web at:

(http://www.ecs.noaa.gov/documents/printable/nepaChecklist_printable.html).

OCRM will revisit the criteria for on-the-ground projects at such time as Congress provides new authorities or additional statutory requirements. There are many reasons why on-the-ground projects are problematic from a national perspective, including, but not limited to:

- ✓ CNP implementation funds do not generally provide states with enough money to demonstrate outcome-oriented results from a series of individual projects.
- ✓ Coordination across agencies is a cornerstone of the CNP, and it may suffer if states focus CNP implementation funds on specific practices in a limited number of management measure areas.
- ✓ Monitoring, tracking and evaluating implementation on the CNP nationally needs improvement.

On-the-Ground projects must:

- ✓ Implement one or more management measures associated with an identified focus area or a state priority as defined in state planning documents.
- ✓ Occur on public lands or on private lands with an easement, or where an agreement to maintain the project for its estimated life or an estimated life of at least 20 years is in place.
- ✓ Represent an exceptional (i.e., new, different, innovative) practice for the state, geographic area addressed or the nation. For example, projects implementing a newly developed “additional management measure” will be given strong consideration, while implementation of a baseline 6217(g) measures may not be acceptable unless the state has not undertaken projects in the management measure category or geographic area previously.
- ✓ Be sponsored by a public entity.
- ✓ Contain an outreach component with a clear public benefit, defined audience, and evaluation plan.
- ✓ Provide for public access to view the project or provide an organized program to display the project and educate other potential users of the practice.
- ✓ Be limited to no more than two funding years.

Tasks that are designed to implement or support “additional management measures” being considered for adoption by the program might receive consideration for funding even if they do not meet all the criteria above.

Examples of eligible demonstration projects would include:

- ✓ Cost sharing of marina BMPs at a state-run facility to promote the State’s clean marina program.
- ✓ Installation of N-reducing OSDS at public site with education kiosk explaining the treatment technology.
- ✓ Installation of stormwater management practices such as a pervious surface parking lot or trail at a public park, with educational signage.

Examples of ineligible projects include:

- ✓ Installation of commonly used agricultural BMPs on private land with no public outreach component.
- ✓ Four stroke outboard engines installed on state or local government-owned boats.

Projects deemed ineligible for CNP funding may be eligible for funding under Section 306.

2. Private Lands Guidelines

Expenditures (of CNP implementation funds) to implement coastal nonpoint measures through low-cost construction or other earth-moving activities on private property will only be made in very limited circumstances. These projects should be viewed as exceptional in nature.

Ineligible projects/expenditures include:

- ✓ Installing agricultural best management practices on private farms where no acceptable landowner agreement to maintain the practices for 20 years is in place.
- ✓ Cost-sharing the purchase of equipment to support best management practices in a management measure category not included in the OCRM focus areas or in State CNP priority areas.
- ✓ Implementation of management measure practices that directly benefit private landowners, such as the replacement or upgrade of a residential septic system.

On-the-ground projects on private lands are discouraged, but funding of projects for enhanced coordination, policy, education, planning, and design of management measures and new programs that will ultimately enhance NPS management on private lands and for private entities

are encouraged. These projects should have widespread applicability in the State's CNP management area and deliver a visible public benefit. Eligible projects might include:

- ✓ Coordination meetings to roll out new agriculture BMPs consistent with CZARA section 6217(g) measures (e.g., nutrient management plans).
- ✓ Watershed planning efforts that directly address practices called for in approved portions of state/territory programs.
- ✓ Policy and program development that will assist private landowners in implementing CNP management measures, such as educational brochures for homeowners or guidance documents for municipal officials.